



## MEO Australia Limited

ABN 43 066 447 952

Level 17  
500 Collins Street  
Melbourne Victoria 3000 Australia

Tel: (+61 3) 8625 6000  
Fax: (+61 3) 9614 0660  
Email: [admin@meoaustralia.com.au](mailto:admin@meoaustralia.com.au)  
Website: [www.meoaustralia.com.au](http://www.meoaustralia.com.au)

## Quarterly activities summary for Period ended 30<sup>th</sup> June 2011

### Key Points

- Executes farm-in agreement with Eni for NT/P68
- Awarded exploration permit WA-454-P (100%) interest
- Awarded exploration permit AC/P53 (100%) interest
- Acquired 100% interest in Seruway PSC offshore North Sumatra for US\$5.0 million
- Acquired 30% interest in South Madura PSC, Indonesia for US\$0.5 million
- Consolidated cash balance at 30<sup>th</sup> June A\$90.1 million

MELBOURNE, AUSTRALIA (20<sup>th</sup> July, 2011)

MEO Australia Limited (ASX: MEO; OTC: MEOAY) provides the following summary in relation to its activities for the quarter ended 30<sup>th</sup> June 2011.

### NT/P68 (MEO 100%)

On 18<sup>th</sup> May, MEO announced it had executed a binding farm-in agreement with Eni. Under the agreement, Eni will earn a 50% interest in the Heron gas discovery by funding the drilling of two wells, with an option to exit after the first well. In addition, MEO granted Eni an option to earn a 50% interest in the Blackwood gas discovery by funding a minimum 500km<sup>2</sup> 3D seismic survey and one fully tested well. MEO granted Eni further options to increase their interest in Heron and/or Blackwood to 75% by funding all costs required to achieve a Final Investment Decision (FID). In the event that FID is achieved on either Blackwood or Heron, MEO will receive a one off cash payment of US\$75m. In early July, Eni advised MEO that all conditions precedent had been fulfilled. Eni has commenced the process of securing a suitable rig and obtaining the necessary regulatory approvals to drill the well.

### WA-454-P (MEO 100%)

On 14<sup>th</sup> June, MEO announced it had been formally awarded exploration permit WA-454-P containing the 2007 Marina-1 gas/condensate discovery (refer location map on next page). The work program is as per the following table.

	Permit Year	Permit Year Start	Permit Year End	Work Program	Estimated Expenditure (A\$ indicative)
Primary Term	1	9 June 2011	8 June 2012	300 km new 2D Seismic Survey Geotechnical Studies	\$300,000
	2	9 June 2012	8 June 2013	750 km 2D Seismic Reprocessing Geotechnical studies	\$250,000
	3	9 June 2013	8 June 2014	400 km <sup>2</sup> 3D seismic Survey	\$4,000,000
Secondary Term	4	9 June 2014	8 June 2015	Geotechnical studies	\$250,000
	5	9 June 2015	8 June 2016	One (1) exploration well	\$20,000,000
	6	9 June 2016	8 June 2017	Geotechnical studies	\$250,000

**WA-360-P (MEO 25% & Operator, Petrobras 50%, Cue Energy 15%, Moby Oil & Gas 10%)**

During the quarter, MEO continued to integrate the Artemis-1 well results and consider the implications for remaining prospectivity in the permit.

**WA-361-P (MEO 50% & Operator, Mineralogy 35%, Cue Energy 15%)**

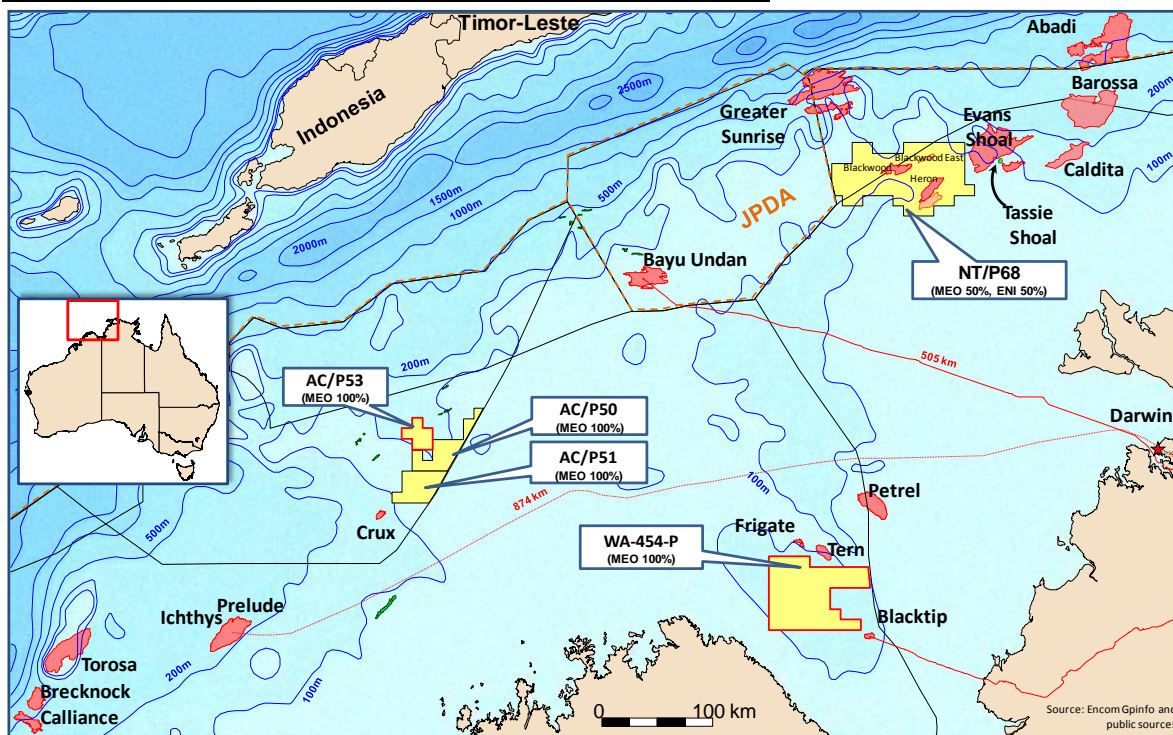
During the quarter, MEO began to plan for the Permit Year 2 seismic acquisition due in 2012.

**AC/P53 (MEO 100%)**

MEO accepted an offer of this gazettal block which was formally awarded on 8<sup>th</sup> July 2011 (refer location map below). The work program is as per the following table.

	Permit Year	Permit Year Start	Permit Year End	Work Program	Estimated Expenditure (A\$ indicative)
Primary Term	1	7 July 2011	6 July 2012	825 km <sup>2</sup> 3D Seismic Reprocessing Geotechnical Studies	\$300,000
	2	7 July 2012	6 July 2013	150 km long-offset 2D Seismic Survey	\$300,000
	3	7 July 2013	6 July 2014	Geotechnical Studies	\$250,000
Secondary Term	4	7 July 2014	6 July 2015	Geotechnical studies	\$250,000
	5	7 July 2015	6 July 2016	One (1) exploration well	\$25,000,000
	6	7 July 2016	6 July 2017	Geotechnical studies	\$250,000

**Location map for WA-454-P and AC/P53 new gazettal blocks**



Planning for the current permit year seismic acquisition commitment continued during the quarter.

**AC/P51 (MEO 100%)**

Planning for the current permit year seismic acquisition commitment continued during the quarter.

**Approved Gas Processing Projects (MEO 50-100%)**

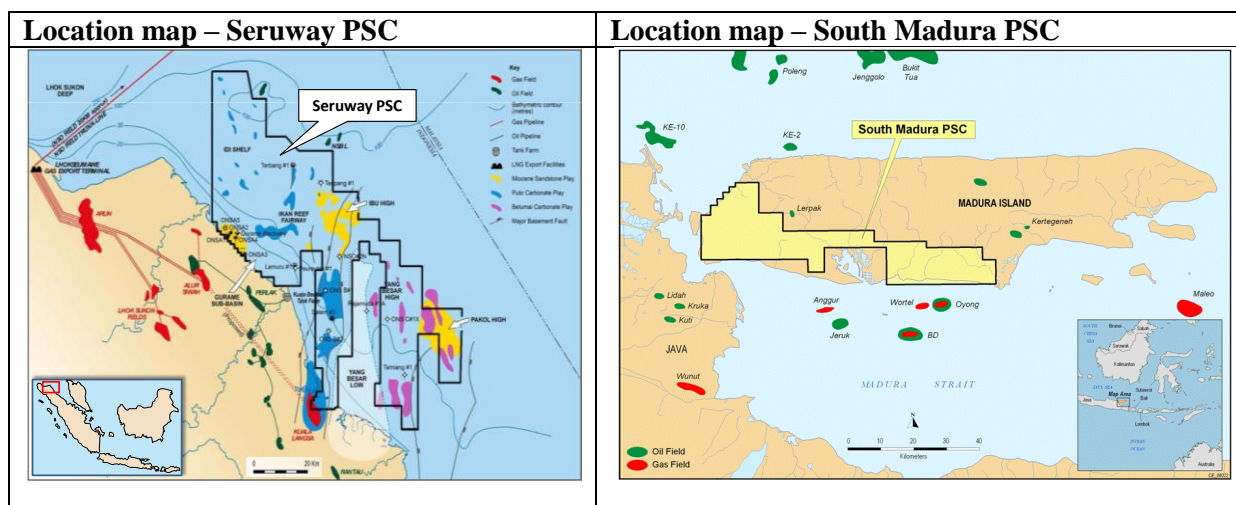
MEO continued its efforts to secure feed-gas from regional custodians of stranded gas discoveries for its approved gas processing projects.

### **South Madura PSC (MEO 30%), Indonesia**

On 27<sup>th</sup> June MEO announced that it had executed a binding sales and purchase agreement to acquire all of the shares of South Madura Exploration Company which has a 30% interest in the South Madura PSC from Cooper Energy for cash consideration of US\$0.5 million.

### **Seruway PSC (MEO 100%), Indonesia**

On 28<sup>th</sup> June, MEO announced that it had executed a binding sales and purchase agreement to acquire all of the shares in Transworld Seruway Exploration Limited which holds a 100% interest in the Seruway PSC, offshore North Sumatra from Transworld Exploration Limited for an initial cash consideration of US\$5.0 million. The PSC contains two existing gas discoveries – Gurame & Kuala Langsa - and is strategically situated in close proximity to underutilized LNG infrastructure. MEO has committed to acquiring 700 km<sup>2</sup> 3D seismic and drill one well by the end of 2012.



### **New Ventures**

Two transactions closed late in the quarter resulting in the addition of two Indonesian Production Sharing Contracts (PSC's). A number of other opportunities were evaluated, however did not make it through MEO's rigorous due diligence process or meet strict commercial hurdles.

### **Cash balance at end of quarter**

At 30<sup>th</sup> June 2010, the consolidated cash balance was A\$90.1 million.

### **Priorities for the quarter ending 30<sup>th</sup> September 2011**

- Integrate Indonesian acquisitions
- Assist in pre well planning activities for the drilling of Heron-3
- Plan seismic acquisition in multiple permits
- Explore alternatives for commercializing Tassie Shoal gas projects
- Evaluate New Venture opportunities

Jürgen Hendrich  
Managing Director & Chief Executive Officer